

Financial Results for the Q1 of FY ending March 31, 2010

July 31, 2009

Oki Electric Industry Co., Ltd.

- The projections and plans in this material are subject to change depending upon the changes of business environments and other conditions.
- Indication method of amounts in hundred millions (yen) are as follow:
Amounts in each item are rounded to the nearest hundred million yen. Variances are calculated in the hundred millions.

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FY: Fiscal year

Q1 Profit and Loss

(Billion yen)	Q1 FY Mar. 2010	Q1 FY Mar. 2009
Net sales	82.6	125.3
<i>Excluding Semiconductors</i>	82.6	101.1
Cost of sales	61.5	96.2
SG&A	24.2	35.6
Operating loss	(3.1)	(6.5)
<i>Excluding Semiconductors</i>	(3.1)	(4.7)
Other income/ loss	(1.9)	0.1
Recurring loss	(5.0)	(6.4)
Extraordinary loss	(0.7)	(12.0)
Income before income taxes	(5.8)	(18.4)
Net loss	(6.7)	(22.2)

* Semiconductor business was spun off and its shares were transferred in October 2008.

[YoY comparison]

- Impact of semiconductor transfer:
Net sales declined by 24.2B yen
Operating loss improved by 1.9B yen
 - SG&A decreased impacted by semiconductor transfer and efforts in optimizing fixed costs.
- Extraordinary loss improved; previous year included valuation loss caused by the change of inventory valuation standards.

[Reference: Currency exchange rate]

	FY Mar. 2010	FY Mar. 2009
USD	97.3	104.6
Euro	132.6	163.4

SG&A: Selling, General and Administrative expense
YoY: Year-on-year

Summary of Segment Information

* In the segment information, Semiconductors segment is excluded from the previous year's results.

- Given the challenging economic circumstances, OKI's Q1 results were approximately as planned
- Net sales decreased by 18.5B yen to 82.6B yen.
 - Operating loss improved by 1.6B yen to 3.1B yen.

(Billion yen)	FY end Mar. 2010		FY end Mar. 2009 (*Semiconductors excluded)	
	Net sales	Operating income (loss)	Net sales	Operating income (loss)
Info-telecom	46.9	0.0	55.0	(3.4)
Printers	31.1	(1.0)	38.8	1.0
Others	4.6	(0.7)	7.2	(0.3)
Eliminates & Corp.	—	(1.3)	—	(2.0)
Total	82.6	(3.1)	101.1	(4.7)

Segment Information: Info-telecom Systems

■ Net sales

➤ Financial market:

Though sales for ATMs in China was continuously steady, overall net sales decreased as the replacement for ATMs in retail markets and a large project of bank branch systems had ran its course, etc.

➤ Telecom:

Sales for telecom carriers increased due to sales increase in core network and existing network products in addition to growth in GE-PON shipment. For enterprises, sales remained the same as the previous year.

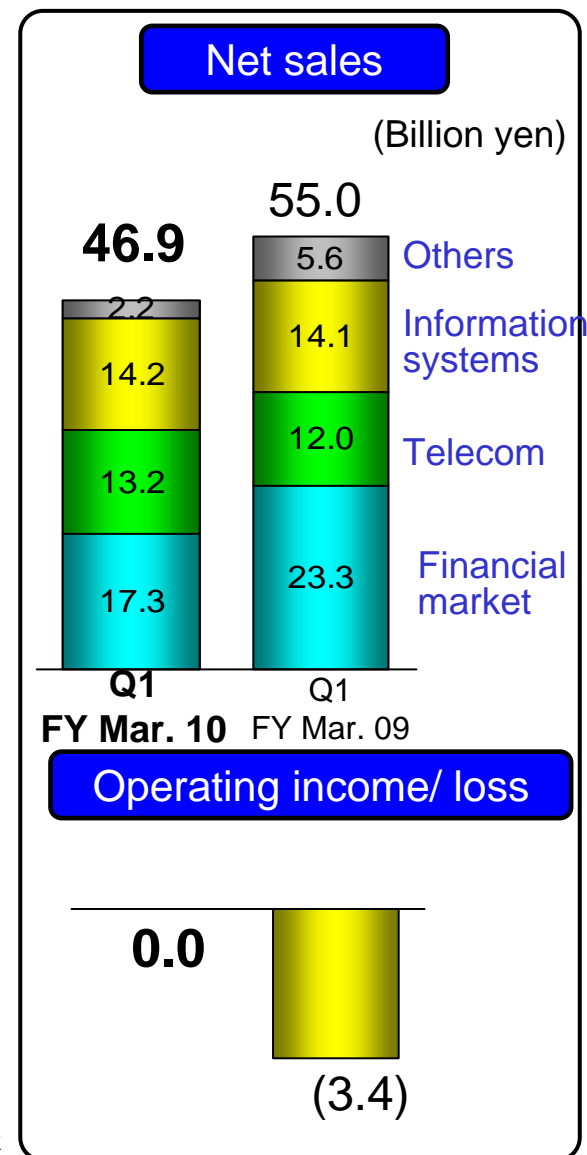
➤ Information systems:

Overall net sales remained flat. Though sales for public sector increased, sales for enterprises decreased after going through larger projects, etc.

■ Operating income

Though marginal profit decreased due to sales decline, operating income improved by 3.4B yen from efforts to optimize fixed costs and reduce production and procurement costs.

ATM: Automated Teller Machine
GE-PON: Gigabit Ethernet Passive Optical Network



Segment Information: Printers

■ Impact of currency exchange:

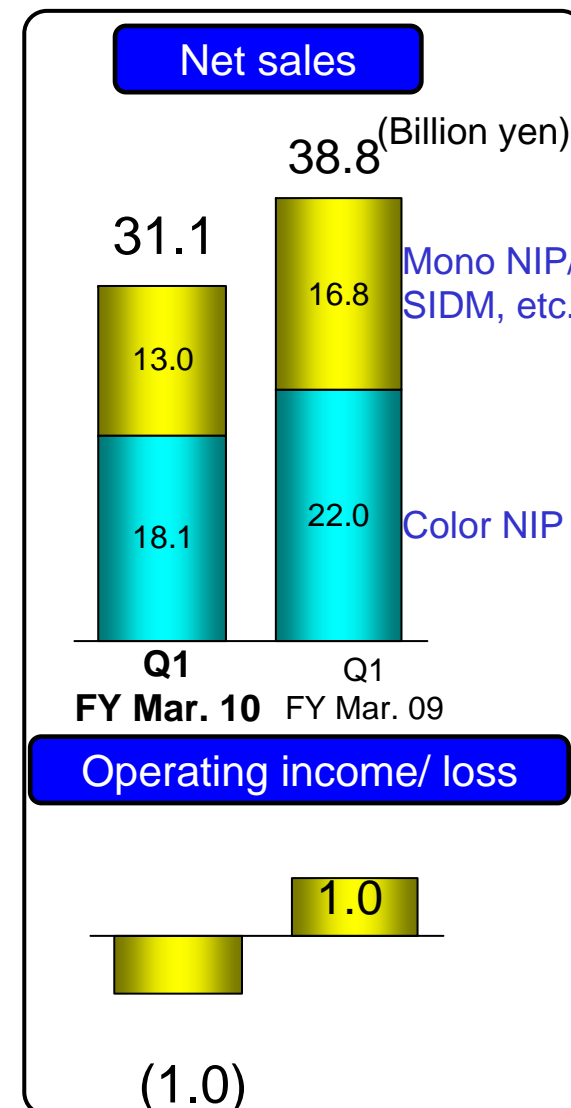
- Net sales declined by 4.7B yen. Operating income declined by 1.8B yen

■ Net sales decreased by 3.0B yen excluding the impact of currency exchange

- Printer hardware and consumable sales proceeded as planned
- Color NIP: Unit sales declined due to the stagnation of the printer market by the deteriorated economic circumstances, etc.
- Mono NIP, SIDM, etc.:
 - Unit sales for Mono NIP increased by launching new products to market in the latter half of the previous year.
 - Unit sales for SIDM decreased due to the overall shrinking market.

■ Operating income remained flat, when excluding the impact of currency exchange

Operating income decreased by 2.0B. While OKI made efforts to optimize fixed costs and reduce production and procurement costs, overall income declined due to the impact of strong yen and decreasing marginal profit and price decline.



NIP: Non-Impact Printer

SIDM: Serial Impact Dot Matrix

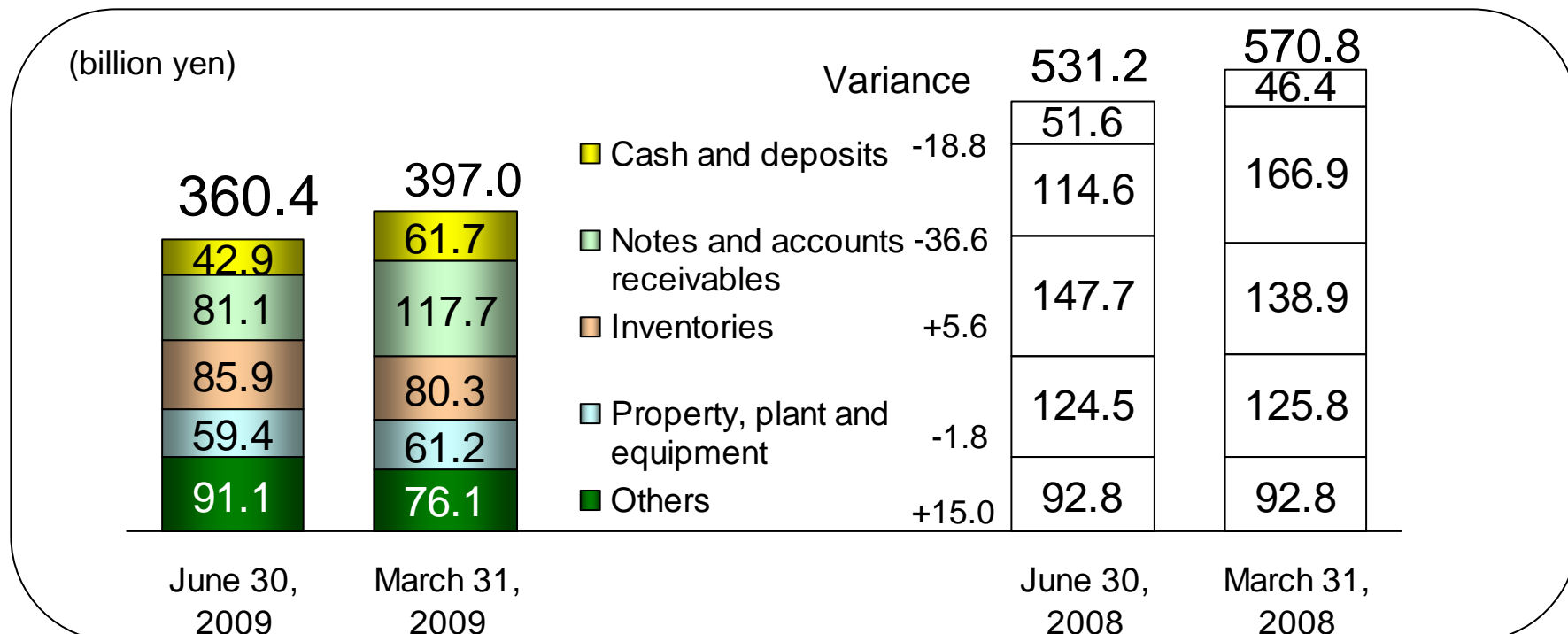
Changing Factors of Operating Income

- Operating income increased by 1.6 billion yen year-on-year. Though there was a decline in marginal profit from decreased sales, decline in price and impact of appreciation of yen, OKI made efforts to reduce procurement and production costs and optimized fixed costs.

		(billion yen)	Operating income (loss)
	Results of FY ending March 2010		(3.1)
	Results of previous FY ended March 2009 (excluding semiconductors)		(4.7)
	Variance of operating income		1.6
Changing factors	Changes in volume and product mix		(2.0)
	Price decline		(1.0)
	Impact of currency exchange		(1.5)
	Reduction of procurement and production costs		0.5
	Changes in fixed-costs		5.5

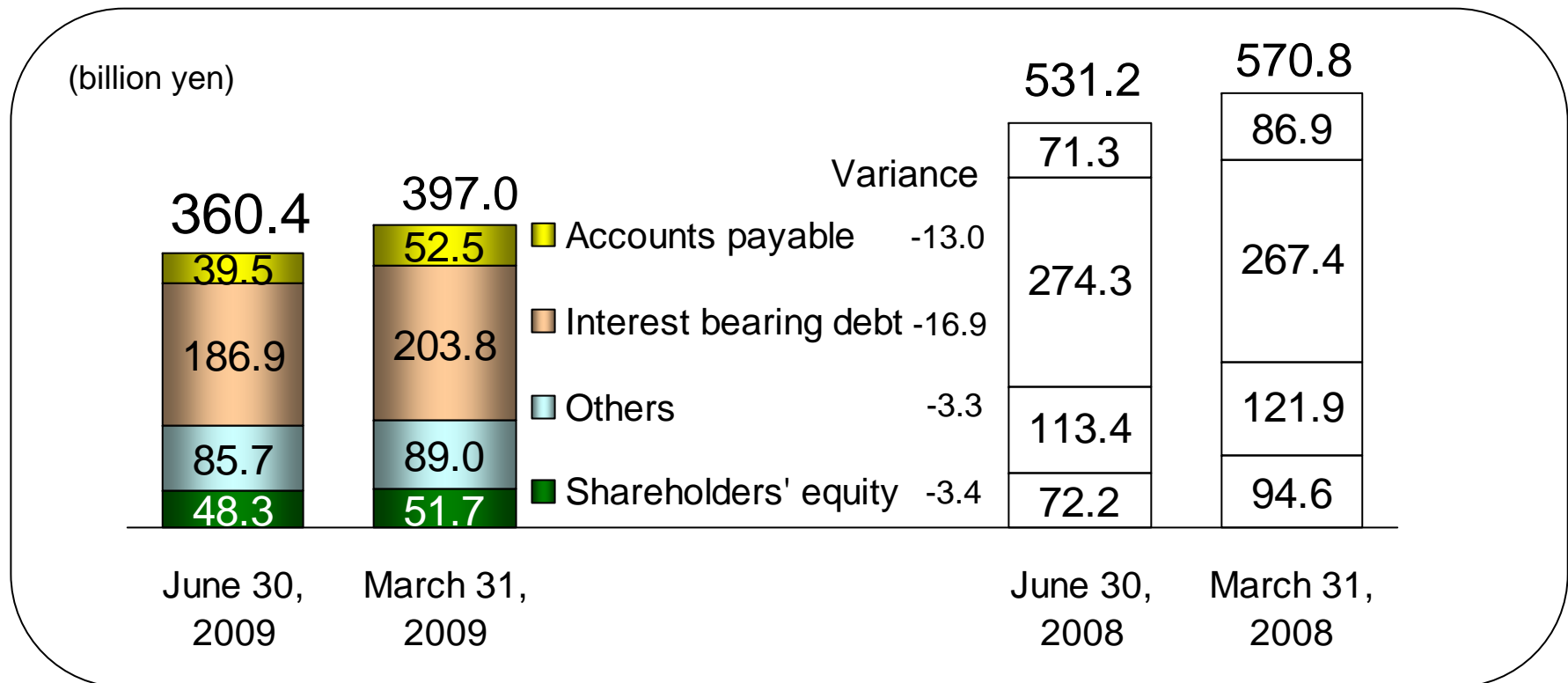
Balance Sheet [Assets]

- Because of certificates of deposit held, cash and deposits declined and marketable securities (other assets) increased.
- Due to the tendency of larger sales in Q4, notes and accounts receivables at March end increase. These receivables are collected in cash, etc. during the next quarter, which reduces the portion of receivables at June end. Inventories declined at March end and increased at June end because of production equalization.



Balance Sheet [Liabilities and shareholders' equity]

- Interest bearing debt declined through redemption of corporate bonds
- Though the valuation adjustments increased due to rise of valuation of owned shares, total shareholders' equity fell from the loss during this quarter



Cash Flows

- Free cash flows increased mainly from improved net income during Q1
- Expense in cash flows from financing activities increased by redeeming corporate bonds

(billion yen)	Q1 March end. 2010	Q1 March end. 2009*	Notes
I. Cash flows from operating activities	15.4	6.3	
Net income before income taxes	(5.8)	(18.4)	
Depreciation & amortization	3.7	7.8	
Changes in working capital	23.0	30.1	
Others	(5.5)	(13.2)	
II. Cash flows from investing activities	(2.3)	(5.5)	
Purchase of property, plants & equipment	(2.0)	(4.6)	
Others	(0.3)	(0.9)	
Free cash flows (I+II)	13.1	0.8	
III. Cash flows from financing activities	(18.9)	5.2	
Net cash flow (I+II+III)	(5.8)	6.0	
Cash and cash equivalents at the period end	59.1	56.1	

* Semiconductors segment is included in previous fiscal year